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Attorneys for Plaintiff
WizKids/NECA, LLC

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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WIZKIDS/NECA, LLC,	:	Civil Action No.: 17-CV-2400
	:	
Plaintiff,	:	
	:	
-against-	:	COMPLAINT AND
	:	<u>DEMAND FOR JURY TRIAL</u>
THI VENTURES, LLC,	:	
	:	
Defendant.	:	
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Plaintiff WizKids/NECA, LLC, by its undersigned attorneys, McCarter & English, LLP, alleges as its Complaint against Defendant THI Ventures, LLC as follows:

NATURE AND BASIS OF THE ACTION

1. This is an action for damages for trademark infringement, unfair competition and false designation of origin arising under the Trademark Act of 1946, 15 U.S.C. §§ 1051, et seq. (the “Lanham Act”), and for trademark infringement, and unfair competition under the laws of the State of New York.

PARTIES

2. Plaintiff Wizkids/NECA, LLC (“Wizkids”) is a limited liability company organized and existing under the laws of New Jersey, having a principal place of business at 603 Sweetland Avenue, Hillside, New Jersey 07205.

3. Upon information and belief, Defendant TIII Ventures, LLC (“TIII Ventures”) is a limited liability company organized and existing under the laws of Louisiana, having a principal place of business at 10420 Ellerbe Road, Shreveport, Louisiana 71106.

JURISDICTION AND VENUE

4. This Court has original jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1338(a) and (b); and 15 U.S.C. §§ 1116 and 1121.

5. This Court also has supplemental jurisdiction over all other claims pursuant to 28 U.S.C. §1367 because this is a civil action of which the district courts have original jurisdiction, and the other claims are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy.

6. The Court has personal jurisdiction over TIII Ventures because TIII Ventures has sold products bearing the infringing trademark in this District.

7. Venue is appropriate in this Court pursuant to 28 U.S.C. § 1391.

FACTUAL BACKGROUND

8. WizKids is a leading provider of collectible figures, games, and game equipment in the United States and abroad. WizKids is the owner of the WIZKIDS trademark (the “WIZKIDS Mark”), which has been used by WizKids and its predecessors in interest since at least as early as 2000.

9. WizKids is the owner of U.S. Registration No. 2,785,361 for the WIZKIDS Mark for “game equipment, namely, miniature toy figurines and role playing equipment in the nature

of game book manuals; collectible toy figurines for role playing games; and role playing games and game pieces and accessories therefor,” in Class 28, which was registered on November 25, 2003, and which is incontestable pursuant to 15 U.S.C. § 1065. The registration for the WIZKIDS Mark states a date of first use and a date of first use in commerce of November 1, 2000. A true and correct copy of the registration for the WIZKIDS Mark, as well as an excerpt from the U.S. Patent and Trademark Office’s website that displays the current status of the registration, are attached hereto as Exhibit 1.

10. Since at least as early as 2000, WizKids and its predecessors in interest have marketed and sold a wide variety of collectible figures, games, and game equipment throughout the United States in connection with the WIZKIDS mark (the “WIZKIDS Products”). Virtually all of the products sold by WizKids display the WIZKIDS Mark on their packaging. Examples of the WIZKIDS Products are depicted in Exhibit 2 hereto.

11. The WIZKIDS Products offered under the WIZKIDS Mark are advertised and promoted on the Internet, including on the website www.wizkids.com, maintained by WizKids and its affiliates. This website prominently displays the WIZKIDS Mark in connection with the WIZKIDS Products. See Exhibit 2.

12. The WIZKIDS Products are offered for sale in various retail locations, including Toys “R” Us, Target, and WalMart stores, comic book stores, game stores, book stores, toy stores, and specialty stores, as well as through on-line retailers, including Amazon.com. The WIZKIDS Products are also sold directly to consumers at consumer shows, including at New York Comic-Con and other Comic-Con shows.

13. The WIZKIDS Products are purchased by a wide variety of consumers, including adults and children, and including but not limited to collectors, consumers interested in games, and superhero, fantasy, sci-fi, and comic book enthusiasts.

14. As a result of many years of developing and marketing of the WIZKIDS Products by WizKids and its predecessors-in-interest, the public has come to recognize the WIZKIDS Mark as identifying collectible figures, games, and game equipment that emanate from WizKids. The WIZKIDS Mark is distinctive and/or has acquired secondary meaning among purchasers designating origin, relationship, sponsorship and/or association with plaintiff WizKids. The WIZKIDS Mark acquired this status long prior to the onset of TIII Ventures' wrongful acts.

15. TIII Ventures is a provider of collectible figures in the United States.

16. Notwithstanding the long prior use of the WIZKIDS Mark by WizKids and its predecessors-in-interest, and the long-standing registration for the WIZKIDS Mark owned by WIZKIDS, TIII Ventures is promoting and offering for sale collectible figures (the "FIZZKIDS Products") under the trademark FIZZKIDS (the "FIZZKIDS Mark"). Like the WIZKIDS Products, the FIZZKIDS Products are collectible figures. (See attached Exhibit 3, excerpts from the TIII Ventures website www.carbonationtoys.com evidencing use of the FIZZKIDS Mark in connection with the FIZZKIDS Products).

17. The FIZZKIDS Products are advertised, promoted, and sold on TIII Ventures' website, www.carbonationtoys.com, as well as on the website www.tenacioustoys.com. See attached Exhibit 4, excerpts from the website www.tenacioustoys.com, on which the FIZZKIDS Products are promoted and sold; see also Exhibit 3. The FIZZKIDS Products have also been sold at consumer shows, including New York Comic Con and other Comic Con shows.

18. Notwithstanding the long prior use of the WIZKIDS Mark by WizKids and its predecessors-in-interest, and the long-standing registration for the WIZKIDS Mark owned by WIZKIDS, TIII Ventures has filed an application, Serial No. 86/414,168, with the U.S. Patent and Trademark Office (the “PTO”), seeking to register the mark FIZZKIDS for “[t]oys, namely, figures, action figures, dolls; collectible toys, namely, figures, action figures, and dolls; limited edition toys, namely, figures, action figures, and dolls; cases for play accessories,” in Class 28 (the “FIZZKIDS Application”). (See attached Exhibit 5, excerpt from PTO’s on-line database evidencing the FIZZKIDS Application). WizKids has filed a Notice of Opposition to the FIZZKIDS Application with the Trademark Trial and Appeal Board of the PTO. That Opposition (No. 91224974) is currently pending before the Trademark Trial and Appeal Board.

19. Upon information and belief, TIII Ventures knew or should have known of the WIZKIDS Mark at the time of its adoption of the FIZZKIDS Mark.

20. The FIZZKIDS Mark is confusingly similar to the WIZKIDS Mark and is used in connection with goods that are identical or closely related to the WIZKIDS Products.

21. In addition, the FIZZKIDS Products appear to be advertised, promoted and sold in some of the same channels of trade and to the same customers as the WIZKIDS Products, including but not limited to advertising and promotion on the Internet.

22. Use of the FIZZKIDS Mark in connection with the FIZZKIDS Products by TIII Ventures is likely to cause consumer confusion and give consumers the false impression that TIII Ventures is authorized to sell WIZKIDS Products, that TIII Ventures and/or the FIZZKIDS Products are otherwise affiliated with or sponsored by WizKids, and that the FIZZKIDS Products emanate from, are manufactured and sponsored by WizKids, when the FIZZKIDS Products are in fact manufactured by a competitor of WizKids.

23. Use of the FIZZKIDS Mark by TIII Ventures constitutes infringement of the WIZKIDS Mark.

24. As a result of wrongful conduct by TIII Ventures, WizKids has suffered irreparable damage to its goodwill and business reputation, and will continue to suffer such damage unless the conduct by TIII Ventures is restrained.

**COUNT I
TRADEMARK INFRINGEMENT
IN VIOLATION OF 15 U.S.C. §1114**

25. WizKids repeats and realleges the allegations of each of the foregoing paragraphs of its Complaint as if fully set forth herein.

26. Use of the FIZZKIDS Mark by TIII Ventures in connection with the sale, offering for sale and distribution of the FIZZKIDS Products is not authorized by WizKids.

27. These acts by TIII Ventures constitute trademark infringement under 15 U.S.C. §1114. The acts by TIII Ventures cause a likelihood of confusion, deception and mistake by buyers and the consuming public. The acts by TIII Ventures create a likelihood that a false and unfair association will be made between TIII Ventures, the FIZZKIDS Products, and WizKids, so that the purchasing public is likely to believe that the FIZZKIDS Products are authentic WIZKIDS Products, that TIII Ventures is authorized by WizKids to sell WIZKIDS Products, and/or that TIII Ventures and the FIZZKIDS Products are otherwise affiliated with or sponsored by WizKids.

28. The acts by TIII Ventures have been committed intentionally, maliciously, fraudulently, and willfully for the purposes of deceiving buyers into purchasing products from TIII Ventures based on the false belief that those products are genuine WIZKIDS Products, that TIII Ventures is authorized by WizKids to sell WIZKIDS Products, and/or that TIII Ventures

and the FIZZKIDS Products are otherwise affiliated with or sponsored by WizKids, and with the specific intent to appropriate to TIII Ventures and to employ for its own benefit the valuable goodwill and business reputation represented by the WIZKIDS Mark.

29. The acts by TIII Ventures have caused and, if allowed to continue, will continue to cause WizKids to suffer substantial irreparable damage and injury. WizKids has no adequate remedy at law.

30. As a result of the foregoing, WizKids has lost profits and TIII Ventures has been unjustly enriched. In addition, the actions by TIII Ventures have been extraordinary, entitling WizKids to attorneys' fees and cost of suit, and to such other and further relief as the Court shall deem appropriate in the circumstances.

COUNT II
TRADEMARK INFRINGEMENT, UNFAIR COMPETITION
AND FALSE DESIGNATION OF ORIGIN IN VIOLATION OF 15 U.S.C. §1125(a)

31. WizKids repeats and realleges the allegations of each of the foregoing paragraphs of its Complaint as if fully set forth herein.

32. TIII Ventures, with direct knowledge of WizKids' rights in and to the WIZKIDS Mark, is engaged in the promotion, distribution, offer for sale and sale of the FIZZKIDS Products bearing the FIZZKIDS Mark.

33. The use by TIII Ventures of a trademark that is confusingly similar to the WIZKIDS Mark on or in connection with the promotion, distribution, offering for sale and sale of competing products is not authorized by WizKids.

34. The acts of TIII Ventures in promoting, distributing, offering for sale and selling of the FIZZKIDS Products constitutes direct and contributory trademark infringement, false

designation of origin, unfair competition and false advertising in violation of Lanham Act § 43(a), 15 U.S.C. § 1125(a).

35. The acts of TIII Ventures cause a likelihood of confusion, deception and mistake by buyers, the consuming public and the trade. The acts of TIII Ventures create a likelihood that a false and unfair association will be made between TIII Ventures, the FIZZKIDS Mark and the FIZZKIDS Products, and the WIZKIDS Products, so that consumers are likely to believe that TIII Ventures' products are produced or sponsored by WizKids.

36. The acts of TIII Ventures have been committed intentionally, maliciously, fraudulently, and willfully for the purposes of deceiving buyers into purchasing the FIZZKIDS Products based on the false belief that such products are authentic WIZKIDS Products, and with the specific intent to appropriate to TIII Ventures and to employ for its own benefit the valuable goodwill and business reputation represented by the WIZKIDS Mark.

37. The acts of TIII Ventures have caused and, if allowed to continue, will continue to cause WizKids to suffer substantial irreparable damage and injury. WizKids has no adequate remedy at law.

38. As a result of the foregoing, WizKids has lost profits and TIII Ventures has been unjustly enriched. In addition, TIII Ventures' actions have been extraordinary, entitling WizKids to attorneys' fees and cost of suit, and to such other and further relief as the Court shall deem appropriate in the circumstances.

COUNT III
DENIAL OF APPLICATION PURSUANT TO
15 U.S.C. §§ 1119 AND 1052(d)

39. WizKids repeats and realleges the allegations of each of the foregoing paragraphs of the Complaint as if fully set forth herein.

40. The FIZZKIDS Mark is confusingly similar to the WIZKIDS Mark, which was in use and the subject of a federal registration prior to TIII Ventures' adoption, first use and application to register the FIZZKIDS Mark, and when the FIZZKIDS Mark is used in connection with the FIZZKIDS Products, they are likely to cause confusion, or to cause mistake, or to deceive consumers to mistakenly believe that the FIZZKIDS Products are those of WizKids and/or that TIII Ventures and the FIZZKIDS Products are authorized or sponsored by WizKids.

41. WizKids would be damaged by TIII Ventures' registration of the FIZZKIDS Mark.

42. In light of the foregoing, the Court should declare the FIZZKIDS Application refused pursuant to 15 U.S.C. §§1119 and 1052(d).

COUNT IV
TRADEMARK INFRINGEMENT UNDER NEW YORK COMMON LAW

43. WizKids repeats and realleges the allegations of each of the foregoing paragraphs of the Complaint as if fully set forth herein.

44. TIII Ventures has, without authorization from WizKids, used the FIZZKIDS Mark, which is confusingly similar to the WIZKIDS Mark, to advertise, distribute, sell and offer to sell the TIII Ventures' infringing products.

45. TIII Ventures' acts as alleged herein are likely to cause confusion, mistake, and deception to consumers as to the affiliation, connection, or association of TIII Ventures with WizKids, and as to the origin, sponsorship, or approval of TIII Ventures' products.

46. TIII Ventures' unauthorized acts constitute direct infringement of the WIZKIDS Mark in violation of New York common law.

47. Upon information and belief, TIII Ventures' conduct is intentional, malicious and wanton in that TIII Ventures infringed and continues to infringe the WIZKIDS Mark (i) with full knowledge that WizKids owns and has the exclusive right to use its WIZKIDS Mark, (ii) with the intention of causing a likelihood of confusion and mistake and to deceive and (iii) with the intention of eliminating competition from WizKids.

48. WizKids has suffered irreparable injury for which WizKids has no adequate remedy at law as a result of TIII Ventures' infringing acts.

**COUNT V
UNFAIR COMPETITION UNDER NEW YORK LAW**

49. WizKids repeats and realleges the allegations of each of the foregoing paragraphs of this Complaint as if fully set forth herein.

50. The actions of TIII Ventures as alleged above constitute common law unfair competition under New York law, and have caused and will cause impairment of the recognition of the WIZKIDS Mark, and diminution of the value thereof.

51. As a result of the actions of TIII Ventures, which constitute unfair competition with WizKids under New York common law, WizKids has been seriously and irreparably damaged.

**COUNT VI
DECEPTIVE ACTS AND PRACTICES
UNDER NEW YORK STATUTORY LAW**

52. WizKids repeats and reallege the allegations of each of the foregoing paragraphs of the Complaint as if fully set forth herein.

53. TIII Ventures' acts as described above constitute deceptive acts and practices and false advertising in violation of N.Y. Gen. Bus. Law §§ 349-350.

WHEREFORE, WizKids respectfully demands judgment:

(1) That TIII Ventures and its agents, servants, employees, attorneys, successors and assignees, and all persons in active concert or participation with any of them, be permanently enjoined and restrained from:

(a) Using in any manner the FIZZKIDS Mark, or any other designation or mark confusingly similar to the WIZKIDS Mark, including, but not limited to, selling, offering for sale, displaying, promoting or advertising products in connection with the FIZZKIDS Mark, or any other designation or mark confusingly similar to the WIZKIDS Mark;

(b) Passing off, inducing, or enabling others to sell or pass off any products that do not emanate from WizKids or that are not distributed under the control and supervision of WizKids and approved by WizKids for sale under the WIZKIDS Mark, as products distributed by or with the approval of WizKids;

(c) Falsely advertising any product as WIZKIDS brand products that do not emanate from WizKids or that are not distributed under the control and supervision of WizKids and approved by WizKids for sale under the WIZKIDS Mark;

(d) Committing any act calculated to cause purchasers to falsely believe that TIII Ventures' products are those sold under the control and supervision, were sponsored, approved or connected with or guaranteed, or produced under the control and supervision of WizKids;

(e) Shipping, importing, delivering, distributing, returning, or otherwise disposing of in any manner products or inventory bearing the infringing FIZZKIDS Mark;

(f) Further infringing the WIZKIDS Mark and damaging WizKids' goodwill and business reputation;

(g) Otherwise competing unfairly with WizKids in any manner; and

(h) Continuing to perform in any manner whatsoever any act deemed contrary to law by this Court.

(2) That TIII Ventures be required to deliver up to WizKids for destruction its entire inventory of infringing products.

(3) That TIII Ventures be required immediately to deliver to WizKids any and all circulars, price lists, labels, signs, prints, packages, wrappers, receptacles, advertising matter, promotional and other material in its possession or control bearing the infringing FIZZKIDS Mark, or any marks confusingly similar to the WIZKIDS Mark, used in connection with the advertising, offering for sale, or sale of products not made by or under the authorization and control of WizKids, for destruction.

(4) That TIII Ventures be required to supply WizKids with a complete list of persons and entities from whom it purchased, and to whom it distributed and/or sold, products bearing the infringing FIZZKIDS Mark.

(5) That TIII Ventures, within 30 days after service of judgment, with notice of entry thereof upon them, be required to file with the Court and serve upon WizKids a written report under oath setting forth in detail the manner in which each has complied with paragraphs 1 through 4, above.

(6) That the FIZZKIDS Application, Serial No. 86/414,168, for the FIZZKIDS Mark, be refused registration.

(7) That TIII Ventures be required to pay to WizKids, in accordance with 15 U.S.C. § 1117(b), such damages as WizKids has suffered in consequence of TIII Ventures' infringement of the WIZKIDS Mark and from the above-described acts of misrepresentation, unfair competition, and unfair trade practices, including the following:

(a) Three times all gains and profits derived by TIII Ventures from the above described acts of misrepresentation, trademark infringement, unfair competition, and unfair trade practices, or, in the alternative, three times WizKids' lost profits, whichever is greater; and

(b) All costs and attorneys' fees incurred in this action, prejudgment interest, and such other interest as may be allowed by law on all sums awarded;

(8) That WizKids have such other and further relief as the Court deems just and proper, including, but not limited to relief ordered under 15 U.S.C. § 1117.

JURY DEMAND

Plaintiff WizKids hereby demands a jury trial on all issues so triable.

Dated: April 3, 2017

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